

**TOWN OF GOTEBO
GOTEBO, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2022**



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Gotebo
Gotebo, Oklahoma

Trustees of the Gotebo Public Works Authority
Gotebo, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Gotebo and the Gotebo Public Works Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Gotebo and the Gotebo Public Works Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the Town of Gotebo as of and for the fiscal year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported

to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit IIA-D. Instances of noncompliance noted. Actual expenditures exceeded the authorized in the General Fund appropriations by \$30,998 and in the Fire Fund by \$2,391.

Recommendation: The Town and Fire should monitor spending and approve budget amendments as needed.

- III. **Procedures Performed:** Agree the Town's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- V. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: For FY22, the Town did not have a separate fund entitled "Cemetery Care Fund".

Recommendation: The Town should create a new fund entitled "Cemetery Care Fund" in accordance with state statutes and ensure that the required 12.5% of lot sales and interment revenues are moved to the restricted fund and that the principal is restricted to purchasing cemetery land or making cemetery capital improvements.

- VII. **Procedures Performed:** Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No such compliance requirements were identified that were applicable to the City. No instances of noncompliance noted.

As to the Gotebo Public Works Authority, as of and for the year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit III. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- IV. **Procedures Performed:** Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authority had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance. No instances of noncompliance noted.

We were engaged by The Town of Gotebo and the Gotebo Public Works Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Town of Gotebo and the Gotebo Public Works Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than those specified parties.



rsmeacham
CPAs • ADVISORS

Clinton, Oklahoma
November 21, 2022

rsmeacham
CPAs • ADVISORS

TOWN OF GOTEBO, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF GOTEBO, OK			
General Fund	\$ 60,104	\$ (5,902)	\$ 54,202
Cemetery Fund	29,390	(6,055)	23,335
Community Center	13,164	(3,729)	9,435
Fire Department	7,103	(2,526)	4,577
Total Governmental Funds	<u>\$ 109,761</u>	<u>\$ (18,212)</u>	<u>\$ 91,549</u>
ENTERPRISE FUNDS			
Public Works Authority	17,948	(3,983)	13,965
Total Enterprise Funds	<u>\$ 17,948</u>	<u>\$ (3,983)</u>	<u>\$ 13,965</u>

TOWN OF GOTEBO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 41,034	\$ 60,104	\$ 19,070
Resources (Inflows):			
Sales Tax	23,201	23,277	76
Use Tax	7,586	7,717	131
Franchise Tax	5,654	5,783	129
Other Taxes	7,307	7,472	165
Other Revenue	23,901	22,352	(1,549)
Total current year resources	<u>67,649</u>	<u>66,601</u>	<u>(1,048)</u>
Amounts available for appropriation	<u>\$ 108,683</u>	<u>\$ 126,705</u>	<u>\$ 18,022</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal services	11,138	9,158	1,980
Materials and supplies	9,500	9,444	56
Other charges and services	20,000	23,784	(3,784)
Capital Outlay	1,000	780	220
Total General Government	<u>41,638</u>	<u>43,166</u>	<u>(1,528)</u>
Street & Alley:			
Other charges and services	-	-	-
Total Street & Alley	<u>-</u>	<u>-</u>	<u>-</u>
Total current year appropriations	<u>41,638</u>	<u>43,166</u>	<u>(1,528)</u>
Transfers Out (In)	<u>-</u>	<u>29,460</u>	<u>(29,460)</u>
Total charges to appropriations	<u>\$ 41,638</u>	<u>\$ 72,626</u>	<u>\$ (30,988)</u>
Change in Fund Balance	<u>26,011</u>	<u>(6,025)</u>	
Ending Budgetary Fund Balance	<u>\$ 67,045</u>	<u>\$ 54,079</u>	

TOWN OF GOTEBO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH
CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 5,638	\$ 29,390	\$ 23,752
Resources (Inflows):			
Cemetery Dues	500	592	92
Lot Sales	200	200	-
Donations	-	119	119
Interest Income	-	117	117
Total current year resources	<u>700</u>	<u>1,028</u>	<u>328</u>
Amounts available for appropriation	<u>\$ 6,338</u>	<u>\$ 30,418</u>	<u>\$ 24,080</u>
Charges to Appropriations (Outflows):			
Cemetery			
Materials and supplies	1,000	116	884
Other charges and services	7,600	4,767	2,833
Total Cemetery	<u>8,600</u>	<u>4,883</u>	<u>3,717</u>
Total current year appropriations	<u>8,600</u>	<u>4,883</u>	<u>3,717</u>
Total charges to appropriations	<u>8,600</u>	<u>\$ 4,883</u>	<u>\$ 3,717</u>
Change in Fund Balance	(7,900)	(3,855)	
Ending Budgetary Fund Balance	<u>\$ (2,262)</u>	<u>\$ 25,535</u>	

**TOWN OF GOTEBO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH
COMMUNITY CENTER
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 13,164	\$ 13,164	\$ -
Resources (Inflows):			
Donation Income	-	2,200	2,200
Grant Income	134,141	64,233	(69,908)
Total current year resources	<u>134,141</u>	<u>66,433</u>	<u>(67,708)</u>
Amounts available for appropriation	<u>\$ 147,305</u>	<u>\$ 79,597</u>	<u>\$ (67,708)</u>
Charges to Appropriations (Outflows):			
Community Center			
Materials and supplies	-	334	(334)
Other charges and services	-	24	(24)
Capital Outlay	166,141	95,264	70,877
Total General Government	<u>166,141</u>	<u>95,622</u>	<u>70,519</u>
Total current year appropriations	<u>166,141</u>	<u>95,622</u>	<u>70,519</u>
Transfers Out (In)	<u>-</u>	<u>(25,460)</u>	<u>25,460</u>
Total charges to appropriations	<u>\$ 166,141</u>	<u>\$ 70,162</u>	<u>\$ 95,979</u>
Change in Fund Balance	(32,000)	(3,729)	
Ending Budgetary Fund Balance	<u><u>\$ (18,836)</u></u>	<u><u>\$ 9,435</u></u>	

TOWN OF GOTEBO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH
FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 7,104	\$ 7,103	\$ (1)
Resources (Inflows):			
Sales Tax	6,181	7,759	1,578
Use Tax	3,500	2,572	(928)
Donations	-	75	75
Grant Revenue	4,826	4,763	(63)
Miscellaneous revenue		1,046	1,046
Total current year resources	<u>\$ 14,507</u>	<u>16,215</u>	<u>1,708</u>
Amounts available for appropriation	<u>\$ 21,611</u>	<u>\$ 23,318</u>	<u>\$ 1,707</u>
Charges to Appropriations (Outflows):			
Fire Fund:			
Personal services	750	-	750
Materials and supplies	2,500	1,852	648
Other charges and services	10,500	9,145	1,355
Capital Outlay	2,600	7,744	(5,144)
Total Fire Fund	<u>16,350</u>	<u>18,741</u>	<u>(2,391)</u>
Total current year appropriations	<u>16,350</u>	<u>18,741</u>	<u>(2,391)</u>
Total charges to appropriations	<u>\$ 16,350</u>	<u>\$ 18,741</u>	<u>\$ (2,391)</u>
Change in Fund Balance	(1,843)	(2,526)	
Ending Budgetary Fund Balance	<u>\$ 5,261</u>	<u>\$ 4,577</u>	

Exhibit III

**GOTEBO PUBLIC WORKS AUTHORITY GOTEBO, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
- MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

Operating Revenues:

Charges for services:

Water	\$ 49,214
Sewer	12,120
Sanitation	32,945
Grant income	55,000
Other	2,057
Total Operating Revenues	<u>151,336</u>

Operating Expenses:

Administration	59,143
Water	78,116
Sewer	-
Sanitation	22,082
Total Operating Expenses	<u>159,341</u>
Net Operating Income	\$ (8,005)

Non-Operating Revenues/(Expenses):

Interest Income	23
Net transfers to/(from) General Fund	4,000
Total Non-Operating Revenues/(Expenses)	<u>4,023</u>

Change in fund balance	\$ (3,982)
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Fund Balance - beginning	<u>17,948</u>
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Fund Balance - ending	<u><u>\$ 13,966</u></u>
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